

ENTERED

September 26, 2022

Nathan Ochsner, Clerk

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

COMPUTE NORTH HOLDINGS, INC., *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 22-90273 (MI)
)
) (Jointly Administered)
) **Re: Docket No. 16****ORDER (I) AUTHORIZING DEBTORS
TO (A) CONTINUE INSURANCE PROGRAM
AND (B) PAY ALL OBLIGATIONS WITH RESPECT
THERETO; AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an order (this “Order”), (i) authorizing Debtors to (a) continue their insurance program and (b) pay obligations with respect thereto, and (ii) granting related relief, all as more fully set forth in the Motion; and this Court having jurisdiction over this matter, all as more fully set forth in the Motion; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due, sufficient, and proper notice of the Motion having been provided under the circumstances and in accordance with

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Compute North Holdings, Inc. (4534); Compute North LLC (7185); CN Corpus Christi LLC (5551); CN Atoka LLC (4384); CN Big Spring LLC (4397); CN Colorado Bend LLC (4610); CN Developments LLC (2570); CN Equipment LLC (6885); CN King Mountain LLC (7190); CN Minden LLC (3722); CN Mining LLC (5223); CN Pledgor LLC (9871); Compute North Member LLC (8639); Compute North NC08 LLC (8069); Compute North NY09 LLC (5453); Compute North SD, LLC (1501); Compute North Texas LLC (1883); Compute North TX06 LLC (5921); and Compute North TX10 LLC (4238). The Debtors’ service address for the purposes of these chapter 11 cases is 7575 Corporate Way, Eden Prairie, Minnesota 55344.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

the Bankruptcy Rules and the Bankruptcy Local Rules, and it appearing that no other or further notice need be provided; and a hearing having been held to consider the relief requested in the Motion (the “Hearing”); and upon consideration of the First Day Declaration and the record of the Hearing and all of the proceedings had before the Court; and this Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, their creditors, their stakeholders, and all other parties in interest, and that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, IT IS HEREBY ORDERED THAT:

1. The Debtors are authorized, but not directed, to continue their Insurance Program and to pay any prepetition Insurance Obligations.

2. The Debtors are authorized, but not directed, to amend, extend, renew, rollover, replace, or obtain new insurance policies, premium financing arrangements and to take all appropriate actions in connection therewith in the ordinary course of business; *provided*, however, the Debtors will notify the U.S. Trustee, and any statutory committee appointed in these Chapter 11 Cases if the Debtors renew, amend, supplement, extend, terminate, replace, increase, or decrease existing insurance coverage collateral or change insurance carriers, enter into any new premium financing agreements, or obtain additional insurance coverage in a manner that would be inconsistent with the Debtors’ current insurance coverage obligations.

3. Notwithstanding the relief granted herein or any actions taken hereunder, nothing contained in this Order shall create any rights in favor of, or enhance the status of any claim held by, any person to whom any obligations under the Insurance Program are owed.

4. Notwithstanding anything to the contrary in this Order, nothing herein shall be deemed to authorize the payment by the Debtors of Deductibles; *provided* that upon the effective date of a plan of reorganization in these Chapter 11 Cases, the foregoing prohibition shall expire; *provided further* that the Debtors' rights to seek relief from this prohibition upon further notice and hearing, including on an emergency basis, are reserved.

5. The Debtors' banks and financial institutions shall be, and hereby are, authorized, when requested by the Debtors in their sole discretion, to process, honor, pay, and, if necessary, reissue any and all checks, including prepetition checks that the Debtors reissue postpetition, and electronic fund transfers drawn on the Debtors' bank accounts relating to the Insurance Program, whether such checks were presented or funds transfer requests were submitted prior to or subsequent to the Petition Date, provided that sufficient funds are available in the applicable accounts to make the payments.

6. The Debtors shall maintain a matrix/schedule of payments made pursuant to this Order, including the following information: (a) the name of the payee, (b) the date and amount of the payment, and (c) the category or type of payment. The Debtors shall provide a copy of such matrix/schedule to the Office of the United States Trustee for the Southern District of Texas (the "U.S. Trustee") and any statutory committee appointed in these Chapter 11 Cases every 30 days beginning upon entry of this Order, but need not provide such matrix during any thirty-day period in which no new payments would be reflected thereon.

7. Notwithstanding the relief granted in this Order and any actions taken pursuant to such relief, nothing in this Order shall be deemed (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable non-bankruptcy law; (b) a waiver of the Debtors' or any other party in interest's rights to dispute

any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in the Motion or any order granting the relief requested by the Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a waiver of any claims or causes of action which may exist against any creditor or interest holder; (f) a request to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; (h) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance of property of the Debtors' estates; or (i) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in the Motion are valid and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

8. The Court finds and determines that the requirements of Bankruptcy Rule 6003(b) are satisfied and that the relief is necessary to avoid immediate and irreparable harm.

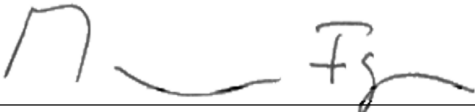
9. Notice of the Motion satisfies the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.

10. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

11. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

12. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the enforcement of this Order.

Signed: September 26, 2022



Marvin Isgur
United States Bankruptcy Judge

United States Bankruptcy Court
Southern District of Texas

In re:
Compute North Holdings, Inc.
CN Mining LLC
Debtors

Case No. 22-90273-mi
Chapter 11

CERTIFICATE OF NOTICE

District/off: 0541-4
Date Rcvd: Sep 26, 2022

User: ADIuser
Form ID: pdf002

Page 1 of 3
Total Noticed: 20

The following symbols are used throughout this certificate:

Symbol	Definition
+	Addresses marked '+' were corrected by inserting the ZIP, adding the last four digits to complete the zip +4, or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Sep 28, 2022:

Recip ID	Recipient Name and Address
db	+ CN Atoka LLC, 7575 Corporate Way, Eden Prairie, MN 55344-2022
db	+ CN Big Spring LLC, 7575 Corporate Way, Eden Prairie, MN 55344-2022
db	+ CN Colorado Bend LLC, 7575 Corporate Way, Eden Prairie, MN 55344-2022
db	+ CN Corpus Christi LLC, 7575 Corporate Way, Eden Prairie, MN 55344-2022
db	+ CN Developments LLC, 7575 Corporate Way, Eden Prairie, MN 55344-2022
db	+ CN Equipment LLC, 7575 Corporate Way, Eden Prairie, MN 55344-2022
db	+ CN King Mountain LLC, 7575 Corporate Way, Eden Prairie, MN 55344-2022
db	+ CN Minden LLC, 7575 Corporate Way, Eden Prairie, MN 55344-2022
db	+ CN Mining LLC, 7575 Corporate Way, Eden Prairie, MN 55344-2022
db	+ CN Pledgor LLC, 7575 Corporate Way, Eden Prairie, MN 55344-2022
db	+ Compute North Holdings, Inc., 7575 Corporate Way, Eden Prairie, MN 55344-2022
db	+ Compute North LLC, 7575 Corporate Way, Eden Prairie, MN 55344-2022
db	+ Compute North Member LLC, 7575 Corporate Way, Eden Prairie, MN 55344-2022
db	+ Compute North NC08 LLC, 7575 Corporate Way, Eden Prairie, MN 55344-2022
db	+ Compute North NY09 LLC, 7575 Corporate Way, Eden Prairie, MN 55344-2022
db	+ Compute North SD, LLC, 7575 Corporate Way, Eden Prairie, MN 55344-2022
db	+ Compute North TX06 LLC, 7575 Corporate Way, Eden Prairie, MN 55344-2022
db	+ Compute North TX10 LLC, 7575 Corporate Way, Eden Prairie, MN 55344-2022
db	+ Compute North Texas LLC, 7575 Corporate Way, Eden Prairie, MN 55344-2022
cr	+ Howard County Tax Office, at al, Perdue, Brandon, Fielder, Collins & Mott, c/o Laura J. Monroe, PO Box 817, Lubbock, TX 79408-0817

TOTAL: 20

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.

Electronic transmission includes sending notices via email (Email/text and Email/PDF), and electronic data interchange (EDI).

NONE

BYPASSED RECIPIENTS

The following addresses were not sent this bankruptcy notice due to an undeliverable address, *duplicate of an address listed above, *P duplicate of a preferred address, or ## out of date forwarding orders with USPS.

Recip ID	Bypass Reason	Name and Address
intp		CN Borrower LLC
intp		CN Wolf Hollow LLC
intp		Compute North NE05 LLC
op		Epiq Corporate Restructuring, LLC
cr		Generate Lending, LLC

TOTAL: 5 Undeliverable, 0 Duplicate, 0 Out of date forwarding address

NOTICE CERTIFICATION

I, Gustava Winters, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

District/off: 0541-4
Date Rcvd: Sep 26, 2022

User: ADIuser
Form ID: pdf002

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Total Noticed: 20

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed .R. Bank. P.2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Sep 28, 2022

Signature: /s/Gustava Winters

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on September 26, 2022 at the address(es) listed below:

Name	Email Address
James Tillman Grogan, III	on behalf of Debtor Compute North TX10 LLC jamesgrogan@paulhastings.com cypress.ph@paulhastings.com
James Tillman Grogan, III	on behalf of Debtor Compute North Member LLC jamesgrogan@paulhastings.com cypress.ph@paulhastings.com
James Tillman Grogan, III	on behalf of Debtor CN Colorado Bend LLC jamesgrogan@paulhastings.com cypress.ph@paulhastings.com
James Tillman Grogan, III	on behalf of Debtor Compute North Holdings Inc. jamesgrogan@paulhastings.com, cypress.ph@paulhastings.com
James Tillman Grogan, III	on behalf of Debtor Compute North Texas LLC jamesgrogan@paulhastings.com cypress.ph@paulhastings.com
James Tillman Grogan, III	on behalf of Debtor CN Pledgor LLC jamesgrogan@paulhastings.com cypress.ph@paulhastings.com
James Tillman Grogan, III	on behalf of Debtor CN Developments LLC jamesgrogan@paulhastings.com cypress.ph@paulhastings.com
James Tillman Grogan, III	on behalf of Debtor CN King Mountain LLC jamesgrogan@paulhastings.com cypress.ph@paulhastings.com
James Tillman Grogan, III	on behalf of Debtor CN Equipment LLC jamesgrogan@paulhastings.com cypress.ph@paulhastings.com
James Tillman Grogan, III	on behalf of Debtor Compute North SD LLC jamesgrogan@paulhastings.com, cypress.ph@paulhastings.com
James Tillman Grogan, III	on behalf of Debtor CN Mining LLC jamesgrogan@paulhastings.com cypress.ph@paulhastings.com
James Tillman Grogan, III	on behalf of Debtor CN Minden LLC jamesgrogan@paulhastings.com cypress.ph@paulhastings.com
James Tillman Grogan, III	on behalf of Debtor CN Atoka LLC jamesgrogan@paulhastings.com cypress.ph@paulhastings.com
James Tillman Grogan, III	on behalf of Debtor Compute North TX06 LLC jamesgrogan@paulhastings.com cypress.ph@paulhastings.com
James Tillman Grogan, III	on behalf of Debtor CN Corpus Christi LLC jamesgrogan@paulhastings.com cypress.ph@paulhastings.com
James Tillman Grogan, III	on behalf of Debtor Compute North LLC jamesgrogan@paulhastings.com cypress.ph@paulhastings.com
James Tillman Grogan, III	on behalf of Debtor Compute North NC08 LLC jamesgrogan@paulhastings.com cypress.ph@paulhastings.com
James Tillman Grogan, III	on behalf of Debtor Compute North NY09 LLC jamesgrogan@paulhastings.com cypress.ph@paulhastings.com
James Tillman Grogan, III	on behalf of Debtor CN Big Spring LLC jamesgrogan@paulhastings.com cypress.ph@paulhastings.com
Jana Smith Whitworth	on behalf of U.S. Trustee US Trustee jana.whitworth@usdoj.gov
Jayson B. Ruff	on behalf of U.S. Trustee US Trustee jayson.b.ruff@usdoj.gov
Joseph William Buoni	

District/off: 0541-4

User: ADIuser

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Date Rcvd: Sep 26, 2022

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on behalf of Creditor Generate Lending LLC josephbuoni@HuntonAK.com, jhornback@huntonak.com

Laura J Monroe

on behalf of Creditor Howard County Tax Office at alimbkr@pbfc.com, kroberson@ecf.inforuptcy.com

Matthew Scott Okin

on behalf of Interested Party CN Borrower LLC mokin@okinadams.com bmoore@okinadams.com

Matthew Scott Okin

on behalf of Interested Party Compute North NE05 LLC mokin@okinadams.com bmoore@okinadams.com

Matthew Scott Okin

on behalf of Interested Party CN Wolf Hollow LLC mokin@okinadams.com bmoore@okinadams.com

Philip M. Guffy

on behalf of Creditor Generate Lending LLC pguffy@huntonak.com

US Trustee

USTPRegion07.HU.ECF@USDOJ.GOV

TOTAL: 28